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REPORT BY THE

Comptroller General

OF THE UNITED STATES

More Specific Guidance And Closer Monitoring Needed To Get More From Funds Spent On Social Services For The Elderly

SUMMARY

Federal support for providing social services to elderly persons under title III-B of the Older Americans Act has increased significantly over the past 5 years. In fiscal year 1981, area agencies on aging administered about 95 percent of the $252 million Federal appropriation.

While the elderly receive substantial s... the program, GAO found they were n... the level of social services tha... had area agencies used bett... ures and practices. Impr... assure that title III-B ...unds

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-- av... ...se... ...iders under adequa... ...d ...ents with performance-based ...ment provisions, and

-- spent for ...eeded services in a timely manner.

In addition, the Administration on Aging should require that State agencies establish better procedures for holding area agencies accountable for the results of title III-B expenditures. Improvements are needed in setting objectives, reporting, and monitoring and assessment.

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COMPTROLLER GENERAL'S
REPORT TO THE CHAIRMAN
SUBCOMMITTEE ON AGING,
FAMILY AND HUMAN SERVICES,
SENATE COMMITTEE ON LABOR
AND HUMAN RESOURCES

MORE SPECIFIC GUIDANCE AND CLOSER MONITORING NEEDED TO GET MORE FROM FUNDS SPENT ON SOCIAL SERVICES FOR THE ELDERLY

D I G E S T

Although the elderly are receiving substantial benefits from the social services programs established under the Older Americans Act, more could be done to increase the level of services provided. GAO believes that better monitoring and management controls are needed at both the State and area agency levels to assure that subgrants and contracts to service providers are being managed efficiently.

In enacting the Older Americans Act and its amendments, the Congress established a series of State and sub-State units charged with planning, coordinating, and implementing a comprehensive system of social services for the elderly. These units are the backbone of the so-called "aging network," which consists of the Administration on Aging (AOA), located in the Department of Health and Human Services (HHS); 57 State agencies on aging serving the 50 States, the District of Columbia, and 6 territorial units; and approximately 665 local area agencies on aging.

Under the act's social services program (referred to as title III-B), these agencies provide to the elderly a broad array of social services, such as transportation, homemaker services, and information/referral services. The area agencies are responsible for obtaining these services, usually through subgrants and contracts with service providers. For fiscal year 1981, title III-B was funded at $252 million.

Federal funds for the program are distributed to each State on a formula grant basis upon AOA's approval of a plan prepared by each State. Similarly, an area agency receives funds on a formula basis upon the State agency's approval of the area plan. Program accountability follows a similar pattern with AOA overseeing

State agencies' operations and State agencies overseeing area agencies' operations.

GAO reviewed social services spending by the agency network in six States as part of its response to a request by the Chairman, Subcommittee on Aging, Senate Committee on Human Resources. This report, the first of two, evaluates the adequacy of State and area agency administration of title III-B funds. GAO's second report will examine the progress and problems experienced by State and area agencies in bringing together other programs to establish a comprehensive, coordinated service system for the elderly.

IMPROVEMENTS NEEDED AT THE AREA AGENCY LEVEL

In its review of 6 State agencies on aging and 11 area agencies, GAO found that only 1 of the 11 area agencies had emphasized the use of title III-B funds to attract needed outside resources in accordance with congressional expectations. Although AOA had provided general guidance about the catalyst intent, neither AOA nor any of the six State agencies had provided specific instructions to area agencies on how to use subgrants and contracts to attract such resources. (See pp. 9 and 10.)

GAO also identified other weaknesses in the area agencies' management practices, many of which could be attributed to a lack of specific instructions from AOA and especially the State agencies. For example:

--Without instructions to include performance-based payment methods in provider agreements, the area agencies followed a general practice of compensating service providers based on costs claimed--regardless of the level of services delivered. This often resulted in service providers being compensated for the total agreement amount even when they had not fulfilled their service objectives to the elderly. (See pp. 12 and 13.)

--In the absence of specific instructions, some area agencies did not spend significant portions of their title III-B funds during the year for which the funds had been allocated. As a result, services obtainable with these funds, and needed by the elderly, were not provided to the elderly on a timely basis. (See pp. 14 and 15.)

GAO believes that the lack of specific instructions in these areas also limits the effectiveness of AOA and State efforts to evaluate area agency operations and provide appropriate technical assistance.

Specific instructions will not, in themselves, assure that area agencies will improve their management of title III-B funds. In order for management improvements to be made at the area agency level, instructions must be accompanied by better monitoring and enforcement to make certain these are followed. In this regard, GAO found a lack of such monitoring and enforcement at area agencies in all six States reviewed. Area agencies in five States, for example, often did not comply with Federal requirements that services being purchased be adequately defined in procurement agreements. (See p. 17.)

GAO also found a lack of compliance with legislative provisions and/or Federal regulations on (1) the prohibition against denying services based on a person's income or charging the elderly for services and (2) the requirement to spend 50 percent of each area agency's allocation on national priority services. (See pp. 19 and 21.)

IMPROVEMENTS NEEDED IN AOA AND STATE AGENCY ACCOUNTABILITY

AOA and, more specifically, State agencies have responsibility for administration, evaluation, and oversight of title III-B program funds. Under Federal statute, State agencies are responsible for administering plans and programs funded under the Older Americans Act. The Federal role is to ensure that States comply with Federal statutes and

the terms of their grants and to evaluate the effectiveness of all programs the act funds.

The six State agencies GAO reviewed had not developed or followed procedures that would allow them to effectively monitor and evaluate the results of area agency subgrant and contract activities. Common problems identified in performance accountability were:

--State agencies had not adequately developed or assured consistent application of service definitions and unit measurements that are necessary to effectively define, measure, and evaluate program performance. (See p. 31.)

--Area agency performance reports did not contain accurate information on the services provided elderly persons in relation to area agency expenditures. (See p. 34.)

--Area plans were not being used as intended--for setting goals and monitoring area agency performance. (See p. 35.)

Representatives at all levels in the aging network generally acknowledged that program performance reports had limited usefulness and reliability. Some representatives, including AOA officials, stated that AOA's information system, which requires data only on numbers of individuals served, contributes to the problem of not having useful data on the levels of services provided elderly persons. (See p. 31.)

GAO believes performance reports which allow State agencies to relate services provided elderly persons to title III-B expenditures would provide needed management data for measuring one area agency against another and developing trend data on each area agency's performance. This information would allow State agencies and AOA to identify not only area agencies that need technical assistance but also those that obtain the best results from their subgrants and contracts. State agencies and AOA could then determine the methods, techniques, and procedures that have produced the best results and provide this information to other network agencies.

RECOMMENDATIONS

GAO recommends that the Secretary of HHS direct the Commissioner, AOA, to develop more specific instructions for State agencies' use in assisting area agencies on

--using title III-B subgrants and contracts as catalysts to attract outside resources,

--providing performance-based payment provisions in subgrants and contracts with service providers, and

--expending title III-B funds for needed services in a timely manner. (See pp. 24 and 25.)

In the area of performance accountability, GAO recommends that the Secretary of HHS direct the Commissioner, AOA, to require that State agencies

--use area plans as intended for setting goals and monitoring results and

--enforce area agencies' use of statewide standards in setting service objectives, defining provider requirements in subgrants and contracts, and reporting the results of subgrant and contract expenditures. (See pp. 39 and 40.)

GAO further recommends that the Secretary of HHS direct the Commissioner, AOA, to revise AOA's performance reporting system to include data on the levels of services provided to elderly persons and that State agencies be required to include verification of such data in their required onsite area agency assessments. (See p. 40.)

AGENCY COMMENTS

HHS generally agreed with GAO's recommendations and, although it did not always commit itself or AOA to take corrective action, some efforts have been planned for fiscal year 1982 which should address several problems noted in GAO's report. One such effort involves placing more emphasis on performance-based payment agreements.

GAO believes that this responds to its recommendation and, if successfully implemented, title III-B funds will be used more efficiently.

However, GAO believes that HHS has not adequately addressed some of the other recommendations. (See app. VIII.) These recommendations and GAO's comments are discussed in detail at the end of chapters 2 and 3. (See pp. 25 and 40.)

GAO also provided copies of its draft report to the six State agencies included in its review. Each State was asked to review the report and comment on it. Two States--Florida and California--provided written comments. (See apps. IX and X.) Like HHS, both State agencies basically agreed with GAO's evaluation of management weaknesses. Both also specifically noted the need for national service definitions and standards to evaluate the title III social services program. The State comments have also been addressed at the conclusions of chapters 2 and 3.

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ABBREVIATIONS

AOA	Administration on Aging
GAO	General Accounting Office
HHS	Department of Health and Human Services